

Minutes of the meeting of the Audit and Compliance Committee of the Board of Directors of the Cook County Health and Hospitals System held Thursday, August 18, 2016 at the hour of 8:30 A.M. at 1900 W. Polk Street, in the Second Floor Conference Room, Chicago, Illinois.

I. Attendance/Call to Order

Chairman Junge called the meeting to order.

Present: Chairman Emilie N. Junge and Director Ada Mary Gugenheim (2)
Board Chairman M. Hill Hammock (ex-officio) and Director Sidney A. Thomas, MSW

Present
Telephonically: Gerald Bauman (non-Director Member)

Absent: Director Layla P. Suleiman Gonzalez, PhD, JD (1)

Additional attendees and/or presenters were:

Cathy Bodnar – Chief Corporate Compliance and
Privacy Officer
Steven Glass – Executive Director of CountyCare
Ryan Lipinski - CountyCare Compliance Officer

Jeff McCutchan – Interim General Counsel
Deborah Santana – Secretary to the Board
Tom Schroeder – Director of Internal Audit
John Jay Shannon, MD – Chief Executive Officer

II. Public Speakers

Chairman Junge asked the Secretary to call upon the registered public speakers.

The Secretary responded that there were none present.

III. Report from Chief Corporate Compliance and Privacy Officer (Attachment #1)

Cathy Bodnar, Chief Corporate Compliance and Privacy Officer, and Ryan Lipinski, CountyCare Compliance Officer, reviewed the information contained in the Report. The Committee discussed the information.

The report included information on the following subjects:

CountyCare Compliance Activity for State Fiscal Year 2016

- CountyCare Compliance Activities Breakdown
- Grievances Metrics
- Appeals Metrics
- Grievances and Appeals Program Assessment
- Fraud, Waste and Abuse Metrics
- Fraud, Waste and Abuse Program Assessment
- Review of 2016 Goals

During the discussion of the information on Grievances, Board Chairman Hammock requested that the materials include a footnote or asterisk indicating that these grievances are not labor-related grievances.

III. Report from Chief Corporate Compliance and Privacy Officer (continued)

During the discussion of the information on appeals, Ms. Lipinski provided additional information on Fair Hearing appeals; this is when a member exhausts the plan level appeal and chooses to go to the State. A recent Fair Hearing appeal involved a drug denial of Harvoni, which is a very expensive drug used to treat hepatitis C. CountyCare denied this drug for the individual because the member did not meet the medical criteria. This member filed an appeal and it was denied. Then, the member filed a Fair Hearing appeal with the State of Illinois; CountyCare's decision to deny Harvoni was upheld by the State. Now this member has engaged the Legal Assistance Foundation; they filed an administrative review action in circuit court in May, along with a Section 1983 claim. The defendant is the State of Illinois, through the actions of CountyCare. The case is being overseen by CCHHS' legal department, with the assistance of outside legal counsel.

Following discussion of the appeals process, Ms. Bodnar offered to provide a more detailed explanation of the stairstep process used for appeals at the next meeting.

During the discussion of the information on the Grievances and Appeals Program Assessment, Chairman Junge inquired regarding delays in provider responsiveness; she asked if there was a distinction between CCHHS providers and network providers. Ms. Lipinski stated that this can be a challenge across the board – it can be very difficult to find the right person to send the letter to, and to find the right staff person to make sure the provider sees it and responds in a timely fashion. She noted that CCHHS has a coordinated effort internally now; grievances sent to CCHHS providers are sent to one (1) single place.

With regard to Fraud, Waste and Abuse issues, Ms. Bodnar pointed out the decrease in new investigations opened in the 4th quarter of the State's FY2016; that decrease is related to the transition and issues with the build of the special investigations unit, which is a required component. The Third Party Administrator (TPA) had contracted with an entity for the special investigations unit and was moving forward with them; unfortunately, that entity changed their business model from doing both pre-payment and post-payment review to only doing pre-payment review. Post-payment review is needed in order to see trends and patterns, but that subcontractor was unable to perform that service. Ms. Bodnar stated that this is not a missed opportunity - all of the claims data is intact and will be run when the special investigations unit is up and running. The challenge right now is that the administration will need to issue a Request for Proposals for the provision of services relating to the special investigations unit. The unit will need data systems in place that can run all of these algorithms and identify the anomalies, to be able to investigate, and to have nurses and coders on staff to look at the records. The administration is in the process of transitioning that function from the TPA to CCHHS.

Board Chairman Hammock noted that the transition to the new TPA, Valence, occurred on April 1st; he thought the transition would be finished by now. The Committee discussed the suggestion of having representatives from Valence come to a committee meeting in the near future to discuss the transition issues and operational implementation concerns. Steven Glass, Executive Director of Managed Care, noted that, in November, it is expected that Valence and their new leadership will be providing a post-acquisition report to the Managed Care Committee. This request is a little different – this is expressing a concern about some of the operational implementation; it was agreed that a report on this subject from Valence should be provided earlier than November. Following discussion, a report on the subject was tentatively scheduled to take place at the September Managed Care Committee Meeting.

Board Chairman Hammock requested that the Directors have a deeper review, conversation, and corrective action plan regarding the subject of transportation. Dr. John Jay Shannon, Chief Executive Officer, concurred; he stated that issues with transportation are ubiquitous – all plans are having the same problem. He stated that he will talk to his staff and follow up with a recommendation for the context of the discussion and preferred Committee for the review and discussion of the subject.

IV. Action Items

A. Minutes of the Audit and Compliance Committee Meeting, June 16, 2016

Director Gugenheim, seconded by Chairman Junge, moved to accept the minutes of the Audit and Compliance Committee Meeting of June 16, 2016. THE MOTION CARRIED UNANIMOUSLY.

B. Any items listed under Sections IV and V

V. Closed Meeting Items

A. Report from Director of Internal Audit

B. Discussion of Personnel Matters

Chairman Junge, seconded by Director Gugenheim, moved to recess the open meeting and convene into a closed meeting, pursuant to the following exceptions to the Illinois Open Meetings Act: 5 ILCS 120/2(c)(1), regarding “the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity,” and 5 ILCS 120/2(c)(29), regarding “meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America.” THE MOTION CARRIED UNANIMOUSLY.

On the motion to recess the open meeting and convene into a closed meeting, a roll call was taken, the votes of yeas and nays being as follows:

Yeas: Chairman Junge and Director Gugenheim (2)

Nays: None (0)

Absent: Director Suleiman Gonzalez (1)

THE MOTION CARRIED UNANIMOUSLY.

Chairman Junge declared that the closed meeting was adjourned. The Committee reconvened into the open meeting.

VI. Adjourn

Director Gugenheim, seconded by Chairman Junge, moved to adjourn the meeting. THE MOTION CARRIED UNANIMOUSLY AND THE MEETING WAS ADJOURNED.

Respectfully submitted,
Audit and Compliance Committee of the Board of Directors of the
Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Emilie N. Junge, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Deborah Santana, Secretary

Cook County Health and Hospitals System
Audit and Compliance Committee Meeting Minutes
August 18, 2016

ATTACHMENT #1



AUDIT & COMPLIANCE COMMITTEE OF THE CCHHS BOARD OF DIRECTORS

Corporate Compliance Report
August 18, 2016



Meeting Objectives

To Review CountyCare Compliance Activity for State Fiscal Year 2016¹

- General Corporate Compliance Efforts
- Grievances & Appeals (G&A) Program and Fraud, Waste, & Abuse (FWA) Program
 - Metrics
 - Program Assessments
- Evaluation of 2016 Goals

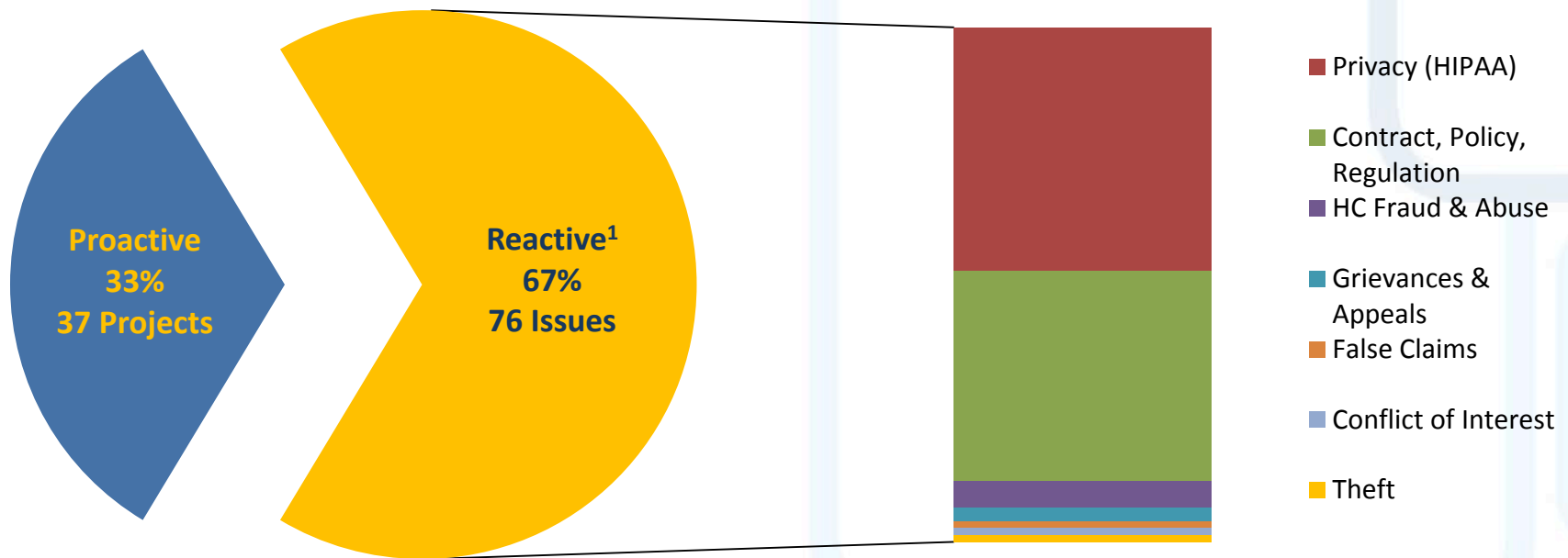
¹ State Fiscal Year = July 1, 2015 to June 30, 2016

Year 2 for CountyCare as a MCCN (Managed Care Community Network)

CountyCare Compliance Activities

Metrics for Activities Initiated in State Fiscal Year 2016
(July 1, 2015 – June 30, 2016)

Activity Breakdown



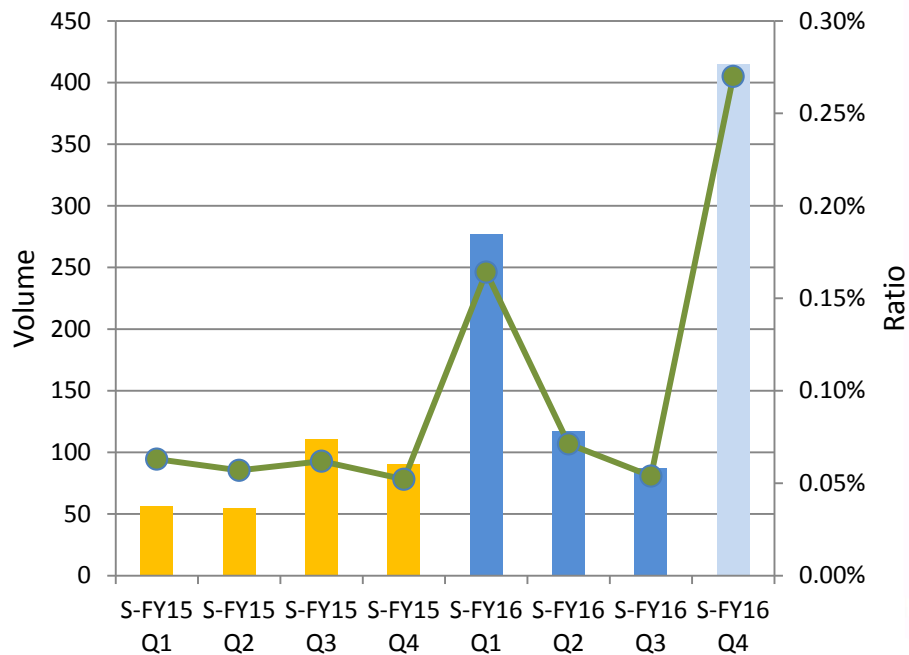
¹ This is a total count of new reactive issues raised through CountyCare Compliance. Not all issues are validated/substantiated.



Metrics for Grievances

Volume & Ratio Comparison

State Fiscal Year 2015 to 2016 (July 1, 2015 to June 30, 2016)

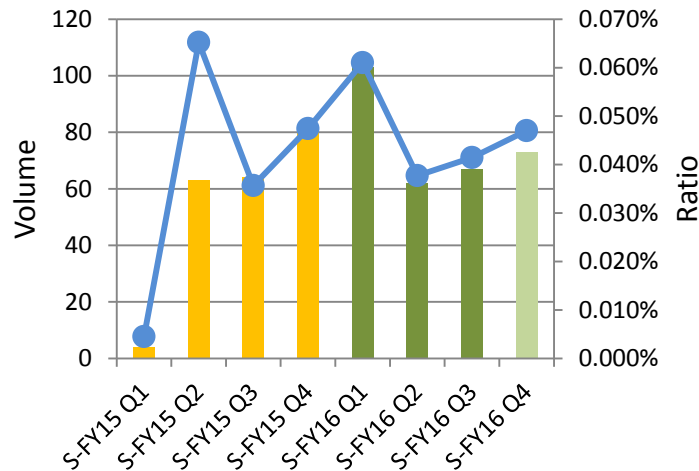


Categories	S-FY 2015	S-FY 2016
Transportation	101	393
Quality of Care	167	104
Access to Care	18	39
Other	26	360
Total Count	312	896

Metrics for Appeals

Volume & Ratio Comparison

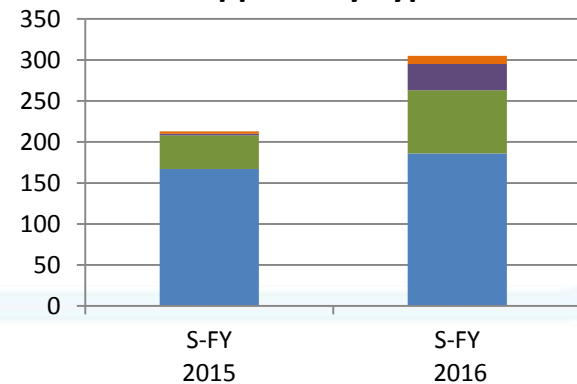
State Fiscal Year 2015 to 2016 (July 1, 2015 to June 30, 2016)



Categories	S-FY 2015	S-FY 2016
Medical Necessity	76	129
Pharmacy	133	169
Other	3	7
Total Appeals	212	305

Appeals	S-FY 2015	S-FY 2016
Appeals	167	186
Expedited Appeals	41	77
External Independent Review	2	32
Fair Hearing	2	10
Total Appeals	212	305

Appeals by Type



G&A Program Assessment

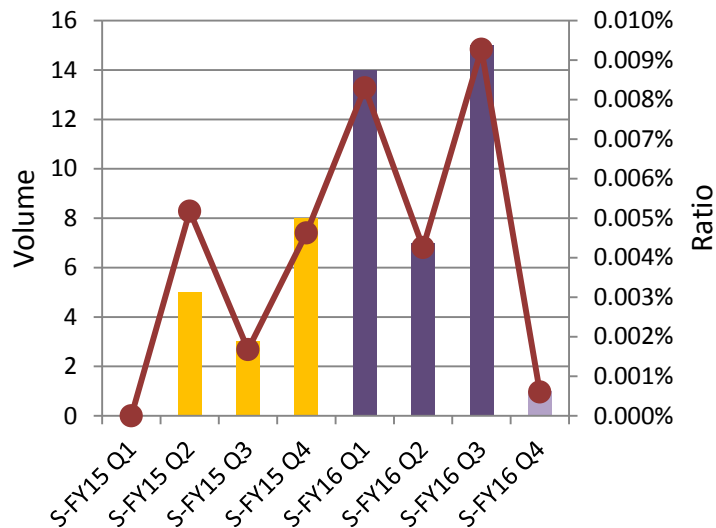
During the last fiscal year, CountyCare continued to maintain a comprehensive Grievance and Appeal Process for both Members and Providers.

Strengths	Opportunities for Improvement
↑ Active G&A Committee	↓ Challenges in coordinated delegated entities
↑ Outreach and training to members and providers	↓ Transition issues resulting in unnecessary denials
↑ Performed root cause analysis of issues	↓ Delays in provider responsiveness
↑ Identified and prioritized member's care needs during the Grievance process	

Metrics for Fraud, Waste, and Abuse

Comparison of Issues¹ Raised

State Fiscal Year 2015 to 2016 (July 1, 2015 to June 30, 2016)



Member Issues	S-FY 2015	S-FY 2016
Identity Theft	2	4
Pharmacy Fraud	1	5
Excessive Utilization	2	0
Provider Issues	S-FY 2015	S-FY 2016
Billing/Coding Inconsistencies	9	21
Overutilization	1	3
Quality of Care	0	2
Stark/Anti-Kickback	1	2
Total FWA Issues	16	37

¹ Addressed through monthly CountyCare FWA and HFS OIG Committees. Referred to HFS OIG if indicative of FWA. In S-FY 2016, CountyCare made 6 referrals of FWA to HFS OIG.

Fraud, Waste, & Abuse Program Assessment

During the first three quarters of S-FY2016, CountyCare Corporate Compliance oversaw a comprehensive FWA program. Quarter four activity was affected by transition to the new Third Party Administrator.

Strengths	Opportunities for Improvement
↑ Identification of potential incidents of FWA	↓ Transition challenges with new Third Party Administrator
↑ Encompassed FWA activities by Delegated Entities	↓ Recoupment of funds
↑ Collaboration with Healthcare and Family Services Office of Inspector General	

Review of 2016 Goals

Achieved:

- Improve communications regarding Grievances and Appeals program, including enhancing education and training during onboarding process.
- Continue to investigate all issues/complaints brought to the attention of the Program.
- Establish a Policy Committee.
- Strengthen Delegated Vendor oversight, including transportation services.
- Continue to serve as a resource to our workforce and delegated vendors.
- Increase CountyCare Compliance Program recognition from local to a national presence.

Partially Achieved:

- Maintain adherence to contractual requirements and industry best practices, especially during the transition to a new third party administrator (TPA).

Not Achieved:

- Develop monitoring and auditing efforts.

Questions?

